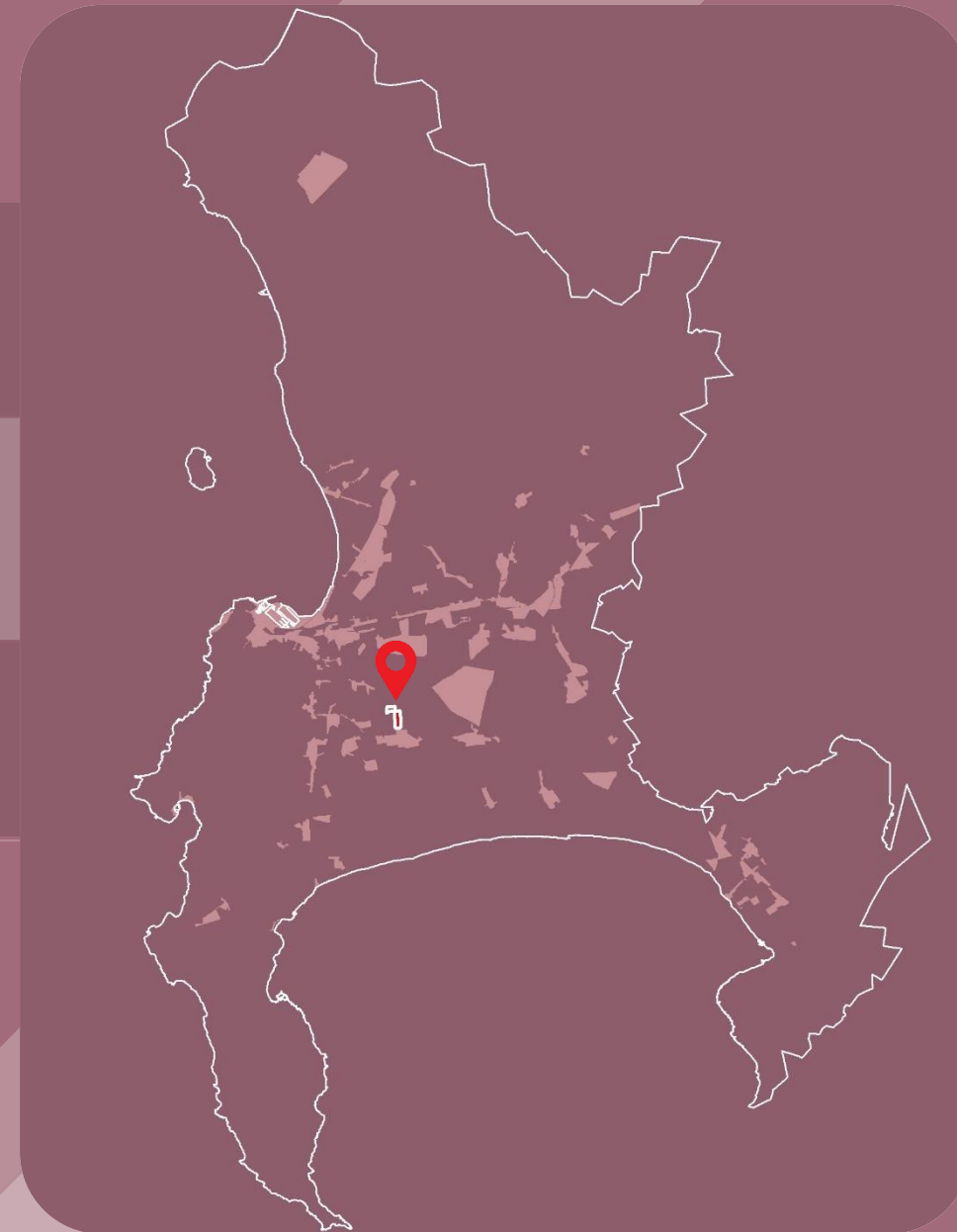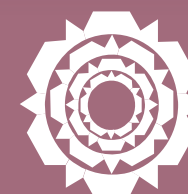# SAND INDUSTRIAL

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022

Image source: City of Cape Town

June 2025

CITY OF CAPE TOWN
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STAD KAAPSTAD

Making progress possible. Together.

ACKNOWLEDGEMENTS

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POLICY & REGULATORY CONTEXT

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

For the past decade, the global and national economic context has required regional economies to prioritise their investment decisions in space for greater efficiency. The Economic Areas Management Programme (ECAMP), as it was introduced, has therefore been considered a valuable economic data tool that provides valuable insights into the performance of the space economy at an area-specific level.

This update of ECAMP is further aligned with the Urban Planning & Design Department's business strategy to leverage spatial intelligence to unlock value within Cape Town's space economy by:

a) Tracking the performance and implementation of its spatial development framework policies
b) Developing the evidence base to inform and adjust said spatial policy
c) Supporting spatially targeted investment and decision-making
d) Providing a spatial lens of economic data within the Cape Town context

The following strategic objectives and programmes support the update of ECAMP:

INTEGRATED DEVELOPMENT PLAN 2022-2027

- Objective 1 (Increased jobs and investment in the Cape Town Economy): Targeted urban development programme
- Objective 15 (A more spatially integrated and inclusive city): Spatial strategy monitoring and evaluation project

INCLUSIVE ECONOMIC GROWTH STRATEGY (2021)

- Applying an economic lens to policy-making by integrating sustainable analysis into City Decision Making in alignment with the MSDF.
- The primary and most immediate scope of work must centre around economic recovery. To this end, implementation of this Strategy will be in the form of a three-phase recovery approach.

MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF, 2023) POLICY & STRATEGY IMPLEMENTATION

- Table 5.1: Spatial strategy 1: Substrategies and policy guidelines (Policy 2, 4 and 5)
- Table A2: Spatial strategy 1: Policy guidelines, strategic and implementation intent (Policy 4,2 and 4,3)

DISTRICT SPATIAL DEVELOPMENT FRAMEWORK (DSDF, 2023): SUB DISTRICT GUIDANCE

- Cape Flats DSDF - Subdistrict 1: Greater Athlone:
  - District Development Guidelines (page 64)
  - Subdistrict Development Guidelines (page 93)
  - Consolidated subdistrict SDF (Figure 16: Greater Athlone area subdistrict)

CONCEPTUAL FRAMEWORK

Intended users
This profile provides a cohesive narrative to determine key trends across several data entry points to help inform decision-making. It also aims to help guide investment in cases where data is not readily available to the public.

Conceptual Framework
The reporting of updated time series microeconomic analysis on Cape Town's economic areas is informed by a conceptual framework, which aims to create spatial intelligence on *supply & demand factors according to the* 5 themes which have been identified. The 5 themes allow for an integrated narrative across area-based economic trends. The trends being reported throughout this profile are used to classify and assess the overall performance of Cape Town's economic areas.

Data preparation, sources, assumptions and limitations
The indicators reported in this profile feed off several automated data processes to add intelligence at a land parcel level which is then aggregated into economic areas. This profile draws across various datasets between 2012 and 2022 such as the General Valuation Roll, market reports, building plans, land use applications, property sales and SARS data. While many of the respective datasets are continuously refined over time, this profile will be updated as and when new data is available.

Contact details
Should you wish to make contact, please direct your feedback to the City of Cape Town's Metropolitan Spatial Planning and Growth Management branch via Future.CapeTown@capetown.gov.za.
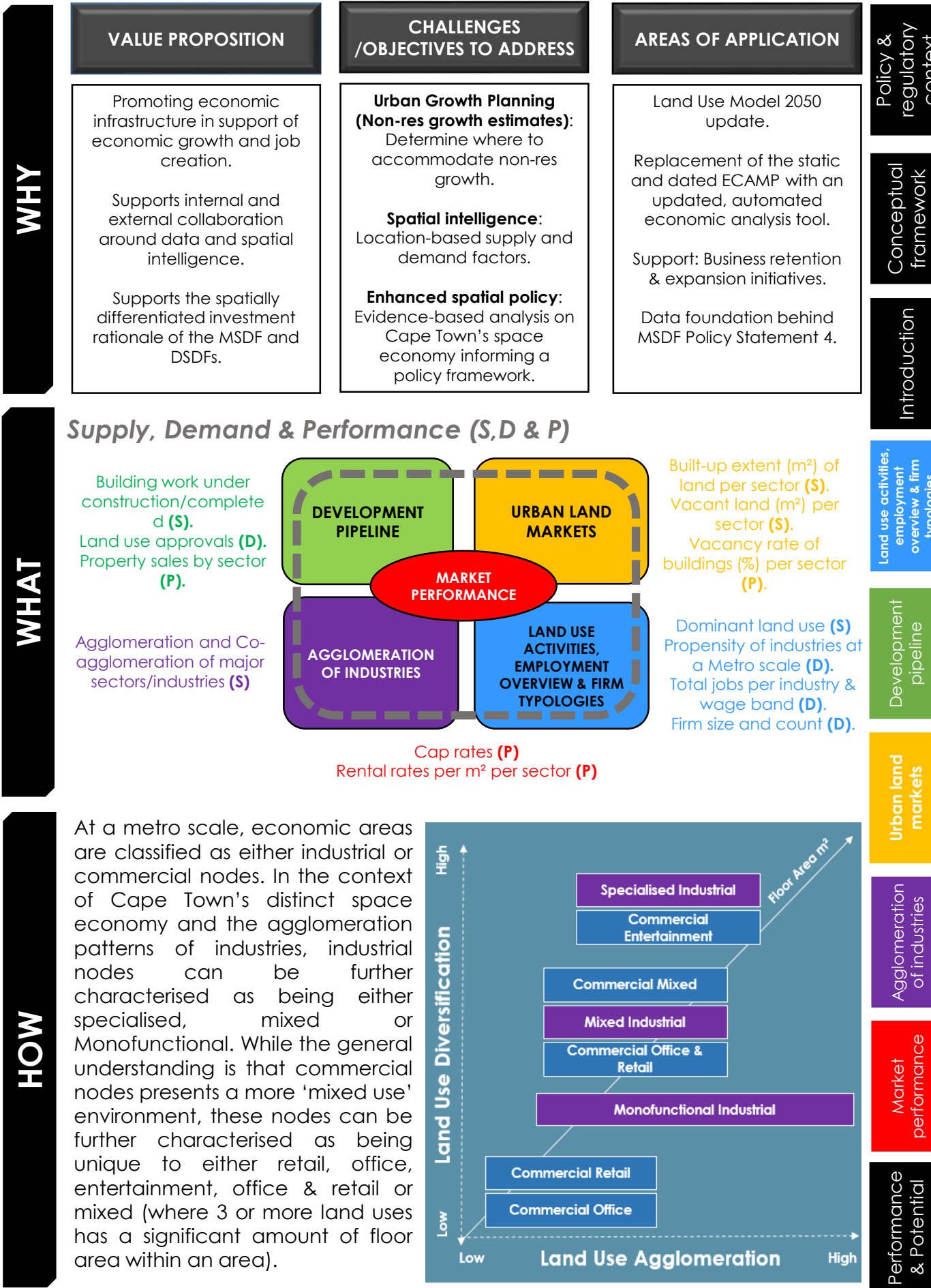

MICRO-ECONOMIC DEMAND & SUPPLY FACTORS
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- Property sales per land use sector
- Building work completed
- Types of land use applications approved
- Vacant land per land use sector
- Built-up land and take up rate per land use sector
- Dominant land uses present in an area
- Building vacancy rate overtime
- Capitalisation rate over time
- Rental rate p/m² by land use sector
- Jobs per industry

MACRO-ECONOMIC REPORTS AND INDICATORS
For additional insights into the macro-economic factors affecting the regional economic condition, refer to the following reports for more information on macro-economic indicators related to Cape Town:

- **Economic Performance Indicators for Cape Town**
- **Regional Market Analysis and Intelligence 2023/24**
- **Provincial Economic Review and Outlook (PERO)**
- **Municipal Economic Review and Outlook (MERO)**

WHY

VALUE PROPOSITION

Promoting economic infrastructure in support of economic growth and job creation.

Supports internal and external collaboration around data and spatial intelligence.

Supports the spatially differentiated investment rationale of the MSDF and DSDFs.

CHALLENGES /OBJECTIVES TO ADDRESS

Urban Growth Planning (Non-res growth estimates): Determine where to accommodate non-res growth.

Spatial intelligence: Location-based supply and demand factors.

Enhanced spatial policy: Evidence-based analysis on Cape Town's space economy informing a policy framework.

AREAS OF APPLICATION

Land Use Model 2050 update.

Replacement of the static and dated ECAMP with an updated, automated economic analysis tool.

Support: Business retention & expansion initiatives.

Data foundation behind MSDF Policy Statement 4.

WHAT

Supply, Demand & Performance (S,D & P)

Building work under construction/completed **(S)**.
Land use approvals **(D)**.
Property sales by sector **(P)**.

Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

DEVELOPMENT PIPELINE — **URBAN LAND MARKETS** — **MARKET PERFORMANCE** — **AGGLOMERATION OF INDUSTRIES** — **LAND USE ACTIVITIES, EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES**

Agglomeration and Co-agglomeration of major sectors/industries **(S)**

Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

Cap rates **(P)**
Rental rates per m² per sector **(P)**

HOW

At a metro scale, economic areas are classified as either industrial or commercial nodes. In the context of Cape Town's distinct space economy and the agglomeration patterns of industries, industrial nodes can be further characterised as being either specialised, mixed or Monofunctional. While the general understanding is that commercial nodes presents a more 'mixed use' environment, these nodes can be further characterised as being unique to either retail, office, entertainment, office & retail or mixed (where 3 or more land uses has a significant amount of floor area within an area).

Land Use Diversification (High / Low) vs Land Use Agglomeration (Low / High), Floor Area m²:
- Specialised Industrial
- Commercial Entertainment
- Commercial Mixed
- Mixed Industrial
- Commercial Office & Retail
- Monofunctional Industrial
- Commercial Retail
- Commercial Office

Side tabs:
- Policy & regulatory context
- Conceptual framework
- Introduction
- Land use activities, employment overview & firm typologies
- Development pipeline
- Urban land markets
- Agglomeration of industries
- Market performance
- Performance & Potential

SAND INDUSTRIAL

Location

- The area is approximately 12km southeast of Cape Town's Central Business District and the port of Cape Town. Furthermore, it is located 4km away from Cape Town International Airport.
- It is also situated adjacent to the M7, providing access onto the N1 and N2 highways connecting to areas across Cape Town.
- The area is mainly serviced by taxis and GABS.
- Access to a skilled workforce from surrounding areas, includes the broader Manenberg, Nyanga, Gugulethu, Athlone, Hanover Park and Philippi areas.

Zoning, land use and form

- The area is predominantly zoned for industrial purposes.
- The area is mainly characterised by light and heavy industry, which includes workshops, sales, manufacturing, repairs, and office accommodation.
- The average land parcel size in the area ranges between 500 – 7,500m².

Spatial planning mechanisms

- None.
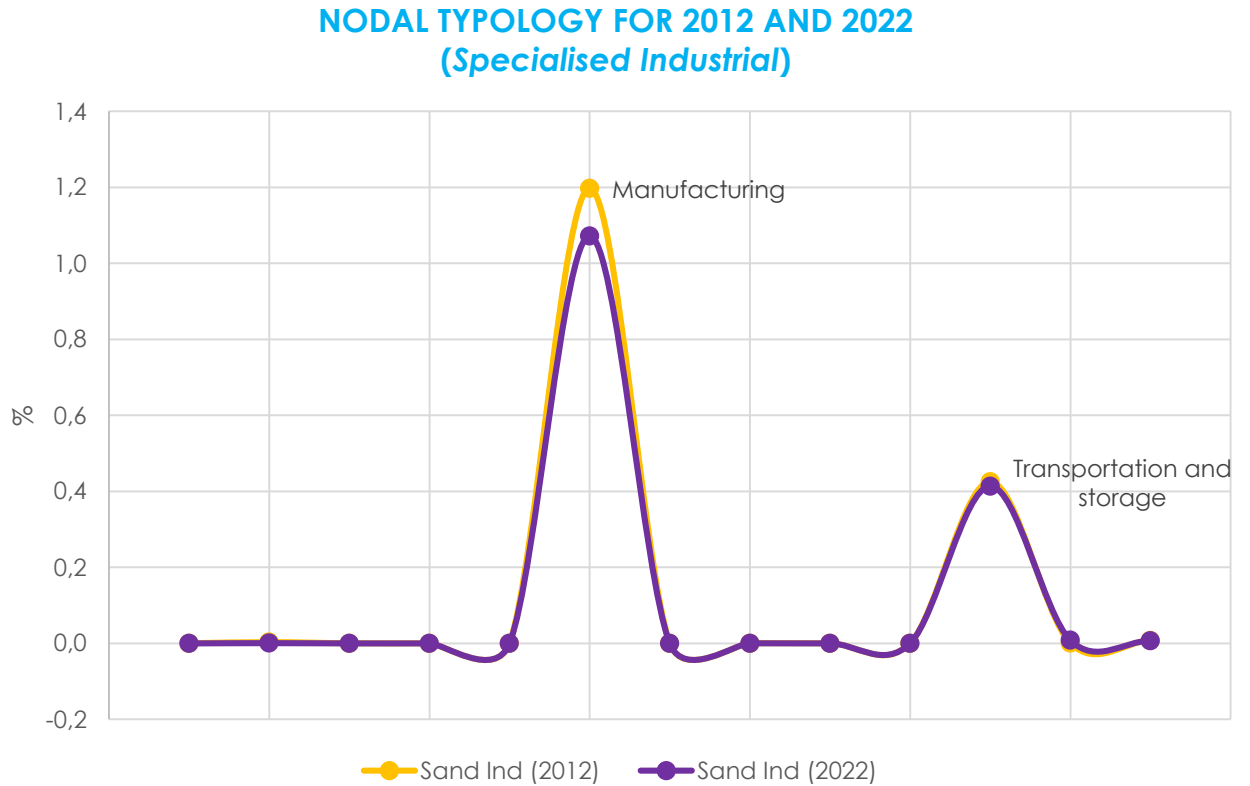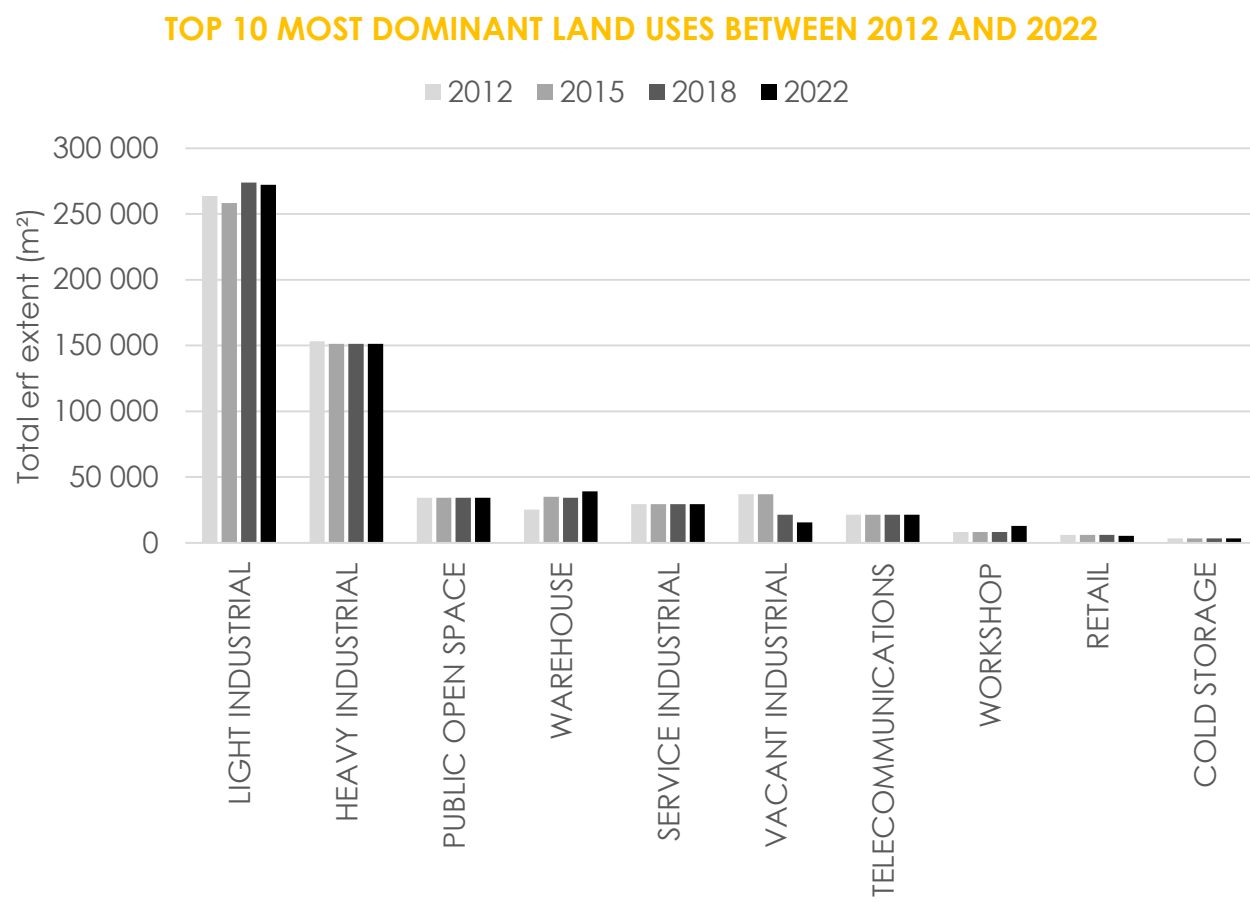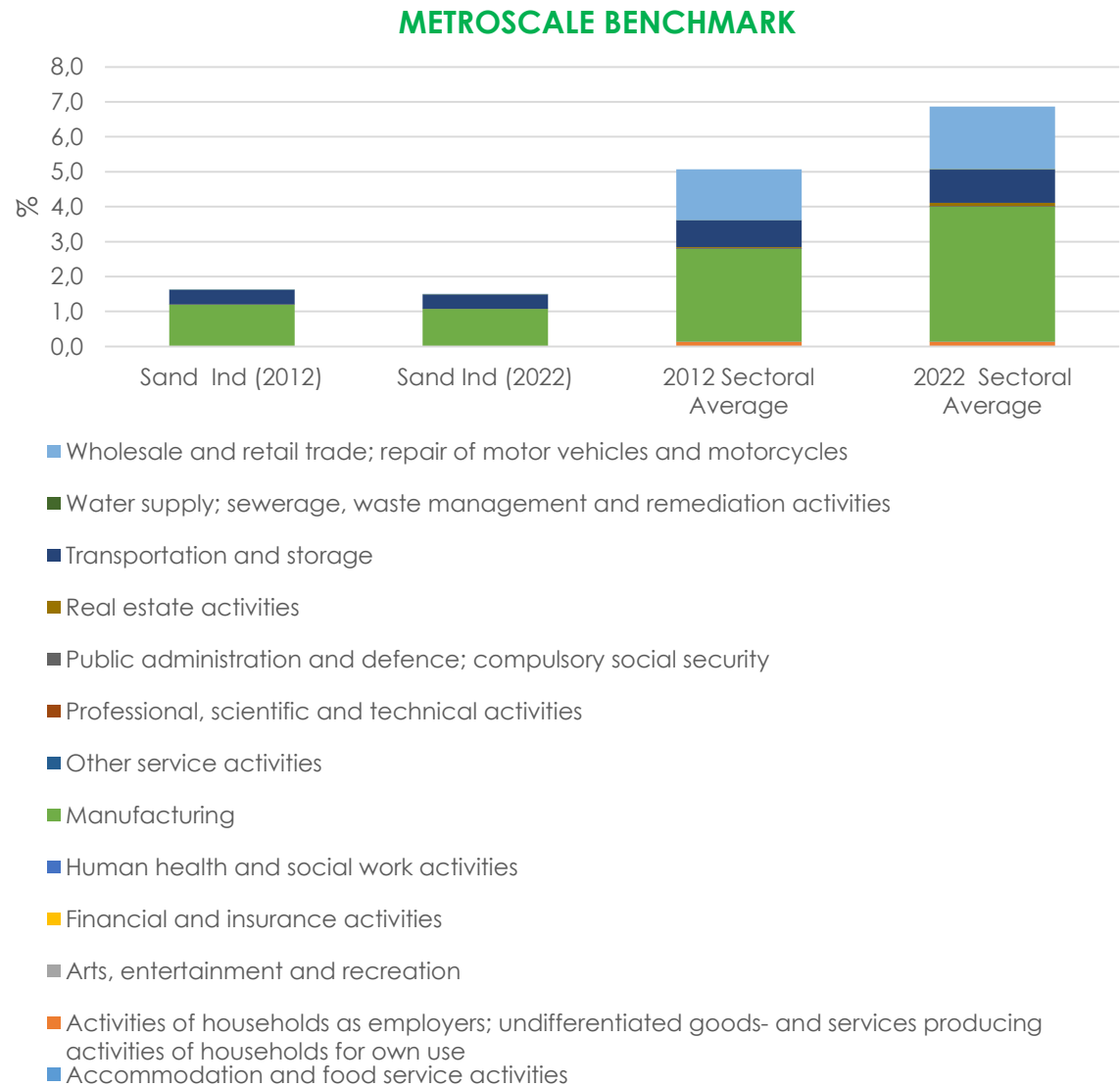
Key highlights of the area include:

- The area was established in the 1970s located within the Metro south-east corridor.
- Peninsula Beverages has been a business anchor since 1982 and has attracted other sales industries into the area located in the southern portion of the economic area.
- Southern Wind shipyard repairs have been an anchor on the northern portion of the economic area, surrounded by smaller sales industries.
- Waste Mart has also established itself further south, adjacent to the sand mine.

LAND USE ACTIVITIES

A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes. This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, Sand Industrial was mainly characterised by a greater propensity for manufacturing, as well as transport and storage, as indicated by the **Nodal Typology**. This typology highlights the industries with the largest floor area (m²) operating in a specific economic area.

- The **Metroscale Benchmarking** positions Sand Industrial as a significant contributor to manufacturing, transport and storage, which performs lower than the sectoral average when compared to other industrial areas across Cape Town.

- Additionally, the GV Roll supports the findings from the SIC data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for heavy industrial and light industrial.
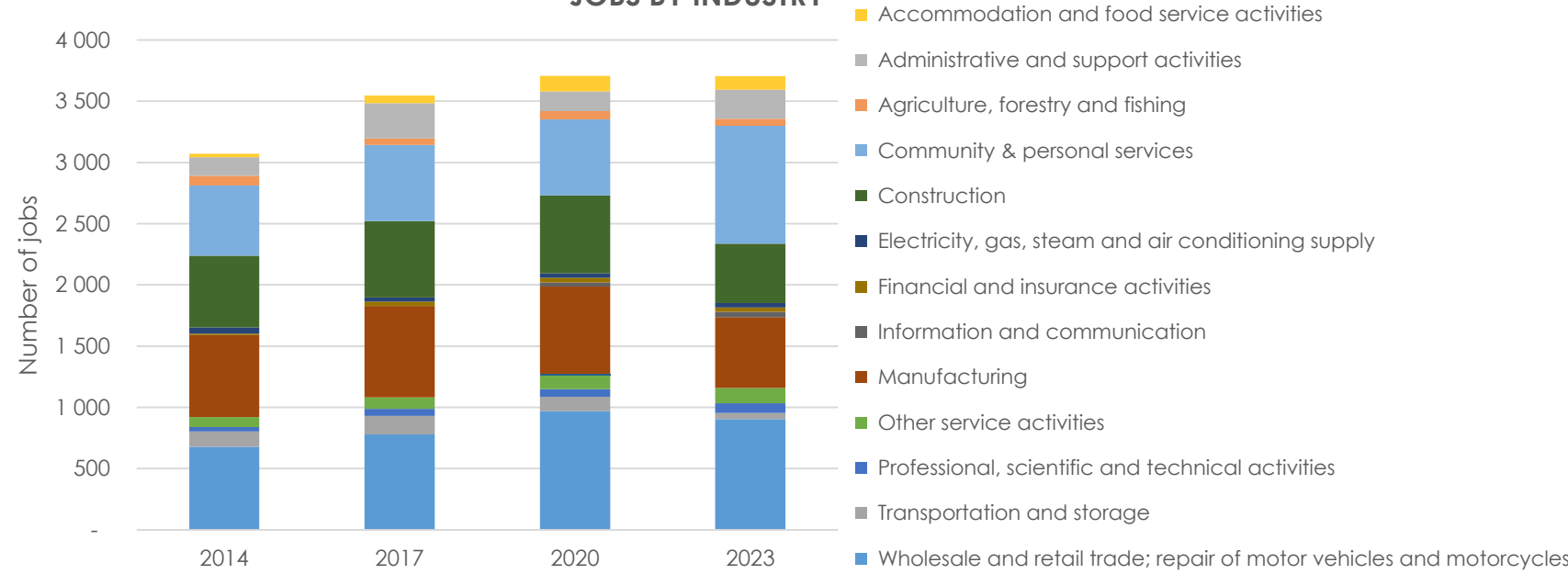
TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022

METROSCALE BENCHMARK

Legend:
- ■ Wholesale and retail trade; repair of motor vehicles and motorcycles
- ■ Water supply; sewerage, waste management and remediation activities
- ■ Transportation and storage
- ■ Real estate activities
- ■ Public administration and defence; compulsory social security
- ■ Professional, scientific and technical activities
- ■ Other service activities
- ■ Manufacturing
- ■ Human health and social work activities
- ■ Financial and insurance activities
- ■ Arts, entertainment and recreation
- ■ Activities of households as employers; undifferentiated goods- and services producing activities of households for own use
- ■ Accommodation and food service activities

NODAL TYPOLOGY FOR 2012 AND 2022
(*Specialised Industrial*)

Source: 2012 – 2022 land use codes converted to SIC codes (May 2024 analysis)
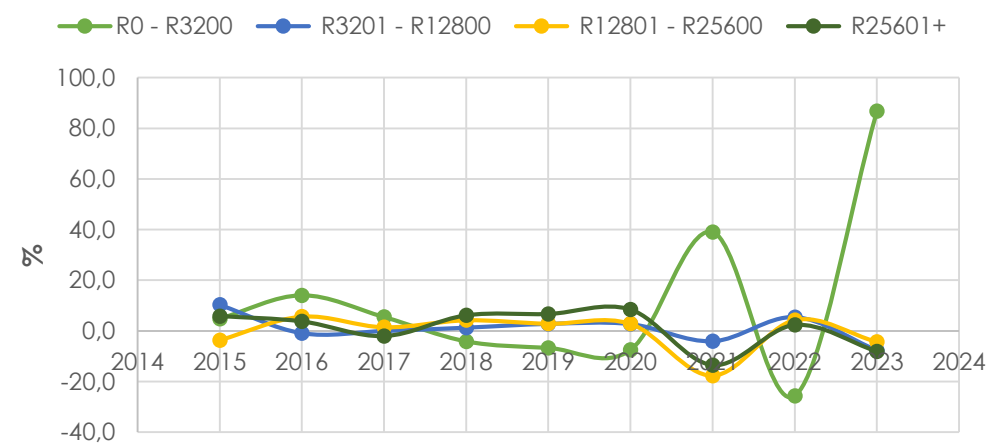
Policy & regulatory context

Conceptual framework

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Urban land markets

Agglomeration of industries
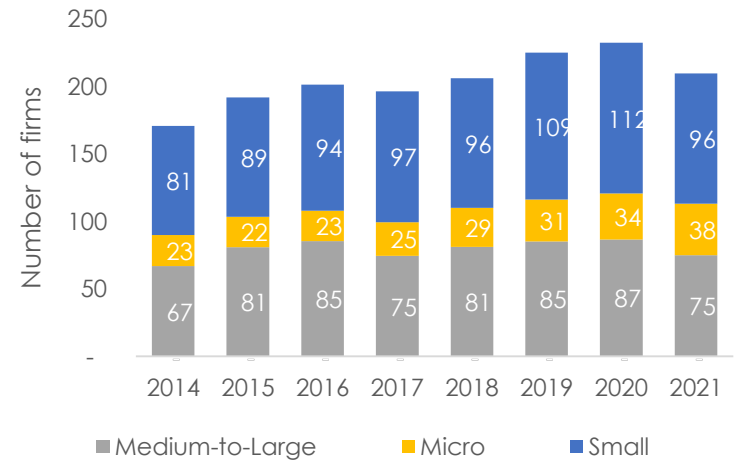
Market performance

Performance & Potential

JOBS BY INDUSTRY

Legend:
- Accommodation and food service activities
- Administrative and support activities
- Agriculture, forestry and fishing
- Community & personal services
- Construction
- Electricity, gas, steam and air conditioning supply
- Financial and insurance activities
- Information and communication
- Manufacturing
- Other service activities
- Professional, scientific and technical activities
- Transportation and storage
- Wholesale and retail trade; repair of motor vehicles and motorcycles

YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND

Legend: R0 - R3200, R3201 - R12800, R12801 - R25600, R25601+

NUMBER OF FIRM TYPOLOGIES

	2014	2015	2016	2017	2018	2019	2020	2021
Small	81	89	94	97	96	109	112	96
Micro	23	22	23	25	29	31	34	38
Medium-to-Large	67	81	85	75	81	85	87	75

Medium-to-Large | Micro | Small

FULL TIME EMPLOYMENT BY WAGEBAND

Legend: R0 - R3200, R3201 - R12800, R12801 - R25600, R25601+

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
R25601+	399	422	438	429	455	485	526	455	465	428
R12801 - R25600	694	668	706	716	747	768	789	650	678	649
R3201 - R12800	2 228	2 457	2 434	2 433	2 463	2 531	2 599	2 492	2 627	2 424
R0 - R3200	368	385	439	463	444	414	383	533	396	740

Source: SARS data extract for period between 2014 and 2023. Firm size data only available between 2014 and 2021.
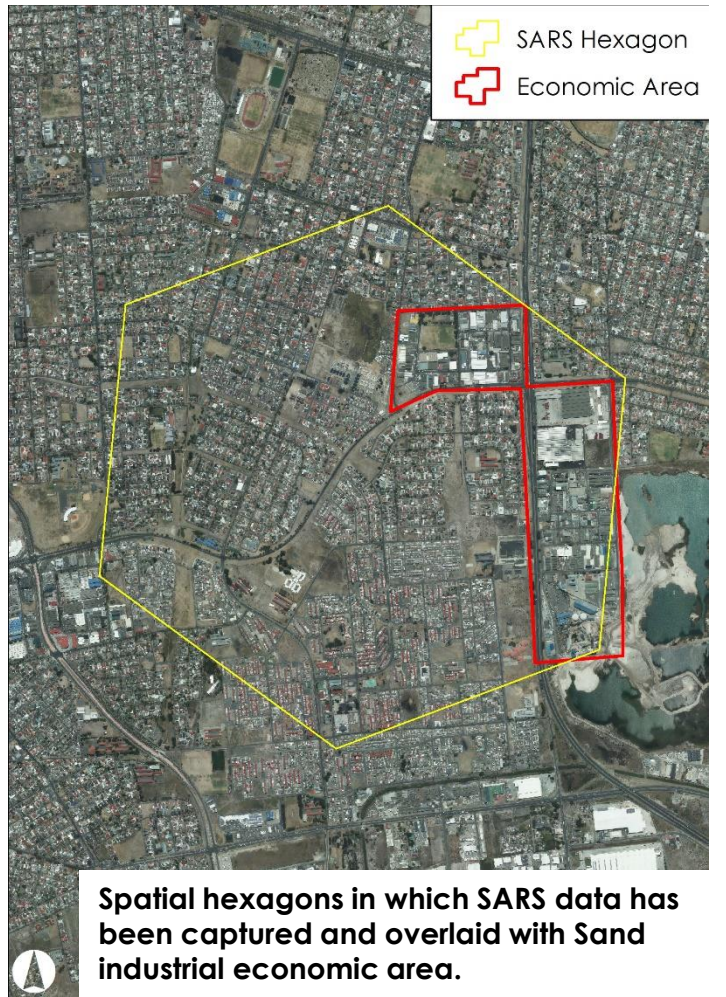
Jobs/Firms

The number of job opportunities in the Sand Industrial area gradually increased from 3,000 to 3,600 between 2014 and 2023. Over time, most jobs have been concentrated in manufacturing, construction and wholesale & retail.

The total number of firms in the area increased from 175 to 200 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large firms, as well as micro firms.

Income bands

The income bands provide insights into the skill levels of employees in the area. The data indicates that a larger proportion of employees earn up to R12,800, with a limited number of employees earning above R12,800.

Legend:
- SARS Hexagon
- Economic Area

Spatial hexagons in which SARS data has been captured and overlaid with Sand industrial economic area.

Side tabs:
- Policy & regulatory context
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DEVELOPMENT PIPELINE

PROPERTY SALES BY SECTOR

Legend:
- Commercial property sales
- Industrial property sales
- Vacant property sales
- Residential property sales
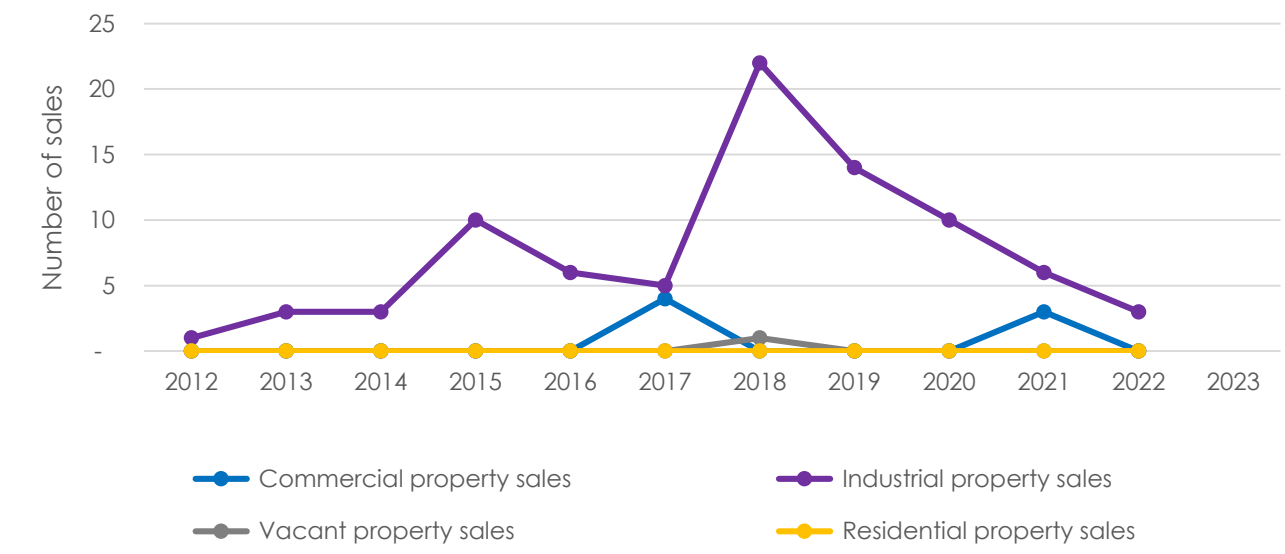
BUILDING WORK COMPLETED/UNDER CONSTRUCTION RELATIVE TO AVERAGE OF AREAS WITH SIMILAR CHARACTER

Legend:
- Construction completed
- Construction commenced
- Annual Ave of other industrial areas (m²)
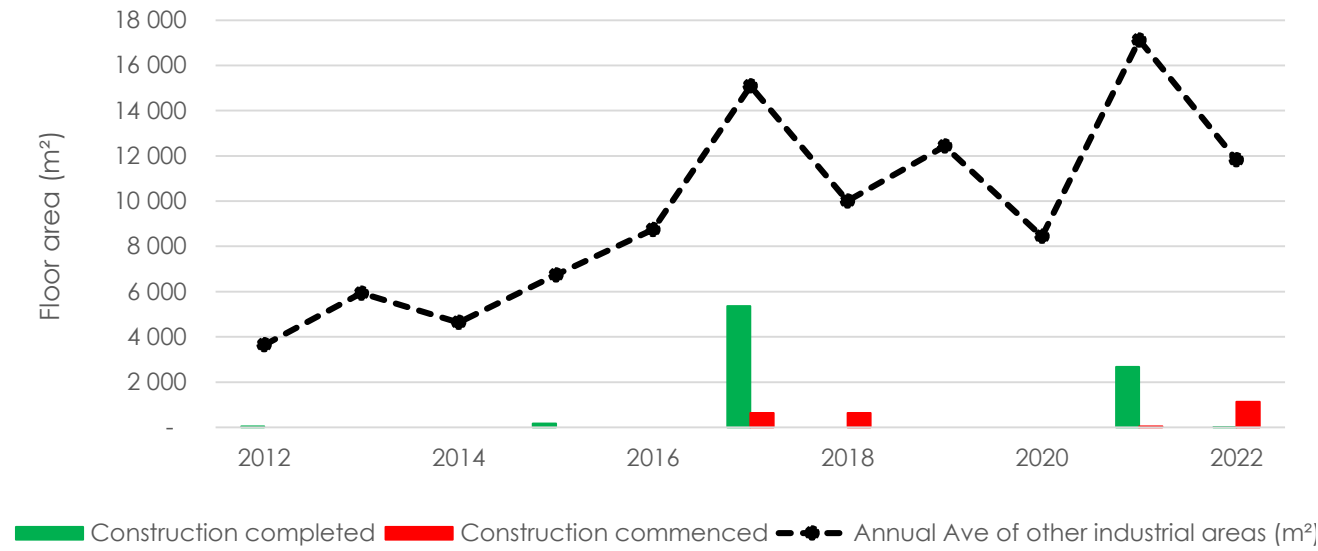
APPROVED LAND USE APPLICATIONS
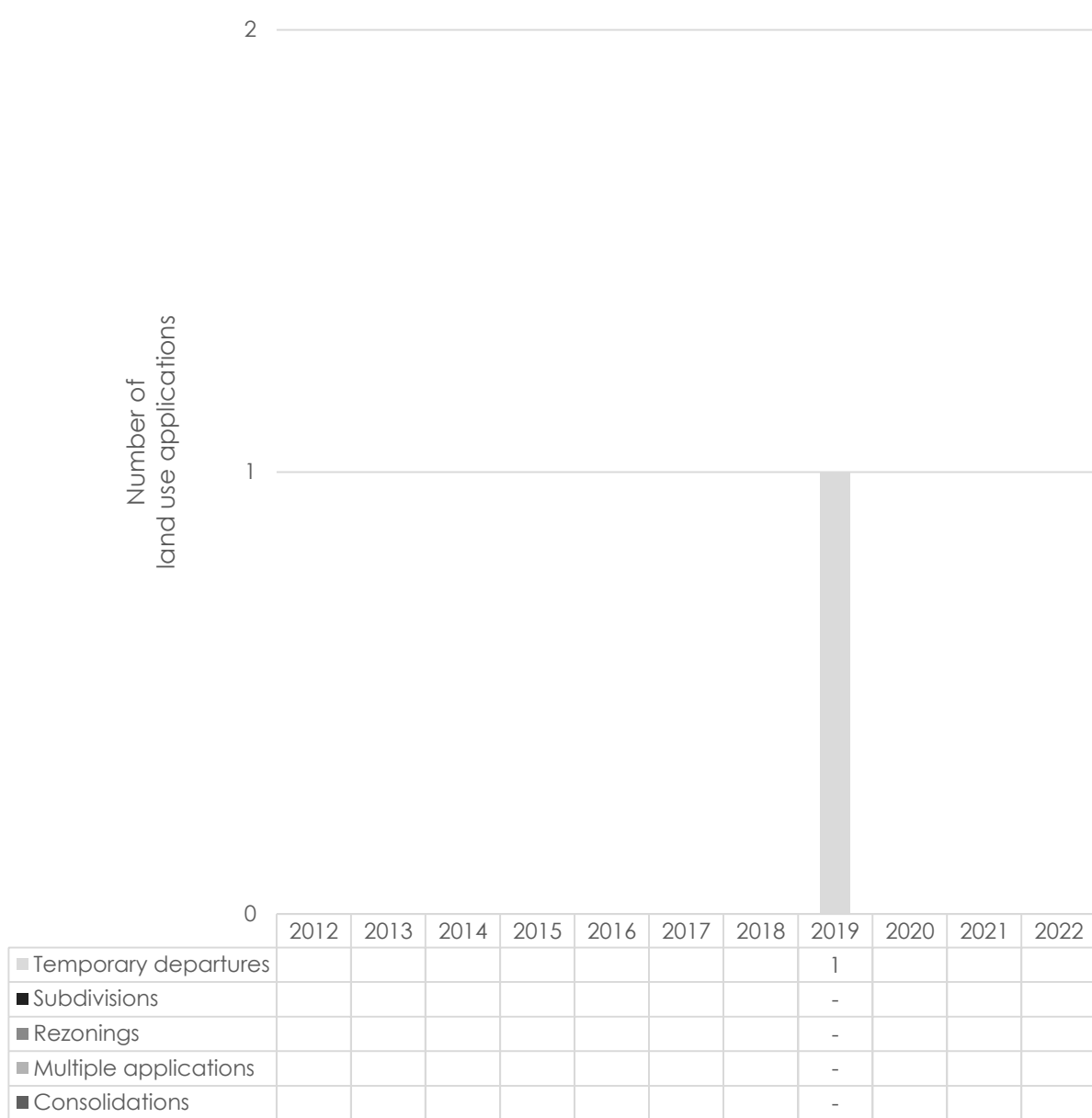
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Temporary departures								1			
Subdivisions								-			
Rezonings								-			
Multiple applications								-			
Consolidations								-			

Property sales
Property sales in the area mostly occurred within the industrial sector compared to other sectors. A spike in industrial property sales was observed in 2018 but tapered down towards 2023.

Land use applications
There were no significant land use approvals granted, indicating that the area did not experience any change in the overall land use character between 2012 and 2022.

Building plans
There was minimal building work activity, which took place between 2012 and 2022, which was below the metro's annual average when compared to other industrial areas.

Side navigation tabs:
- Policy & regulatory context
- Conceptual framework
- Introduction
- Land use activities, employment overview & firm typologies
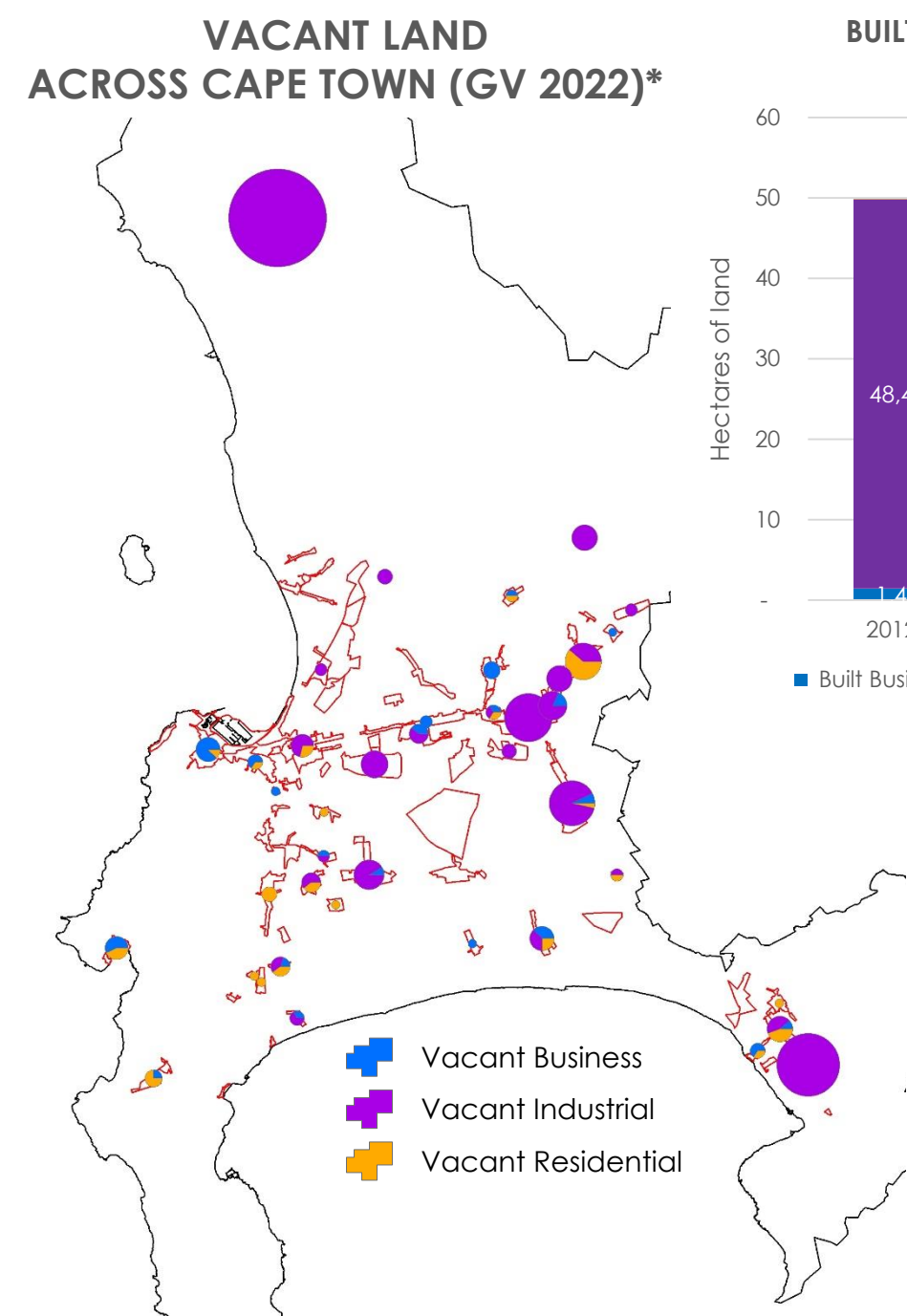- Development pipeline
- Urban land markets
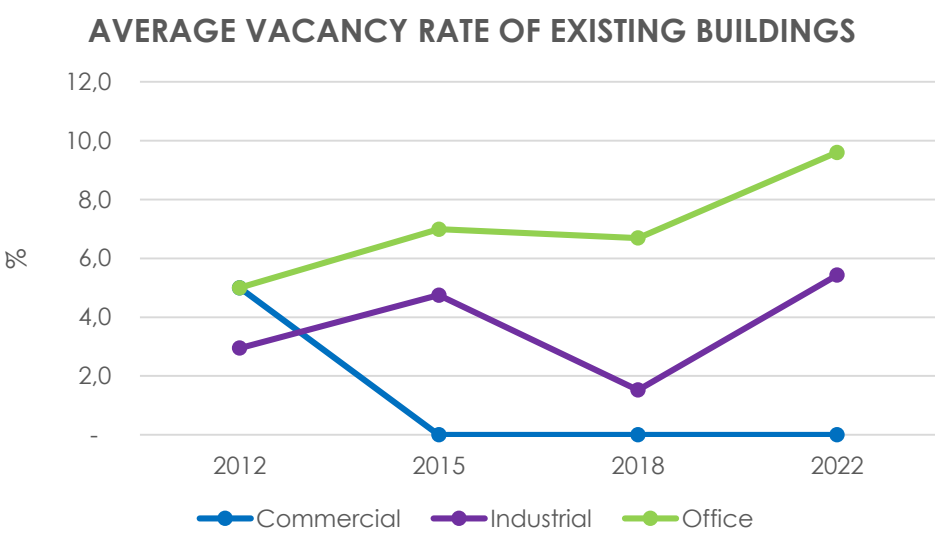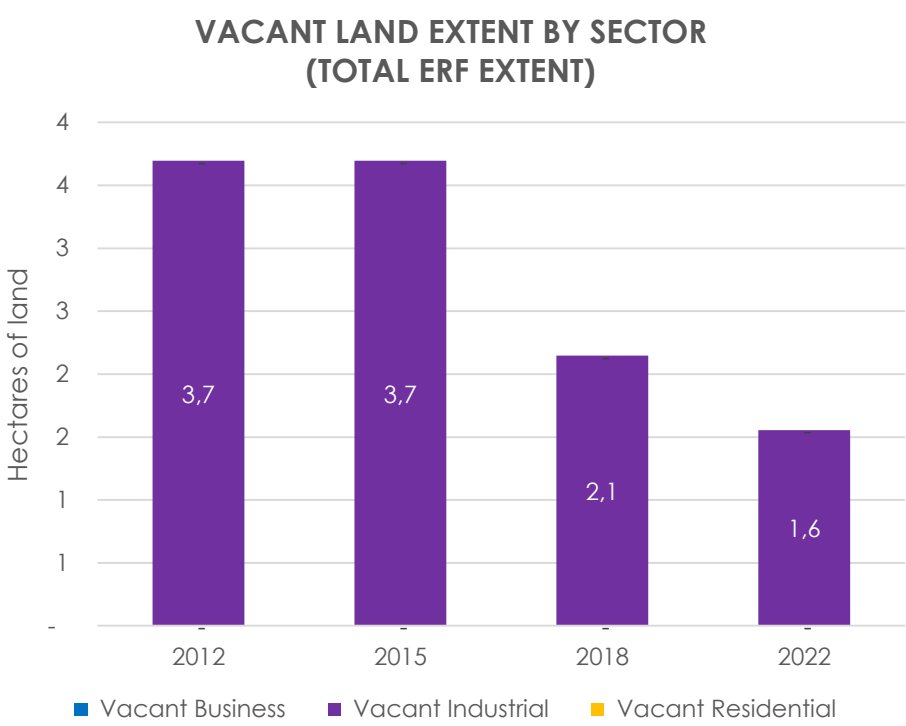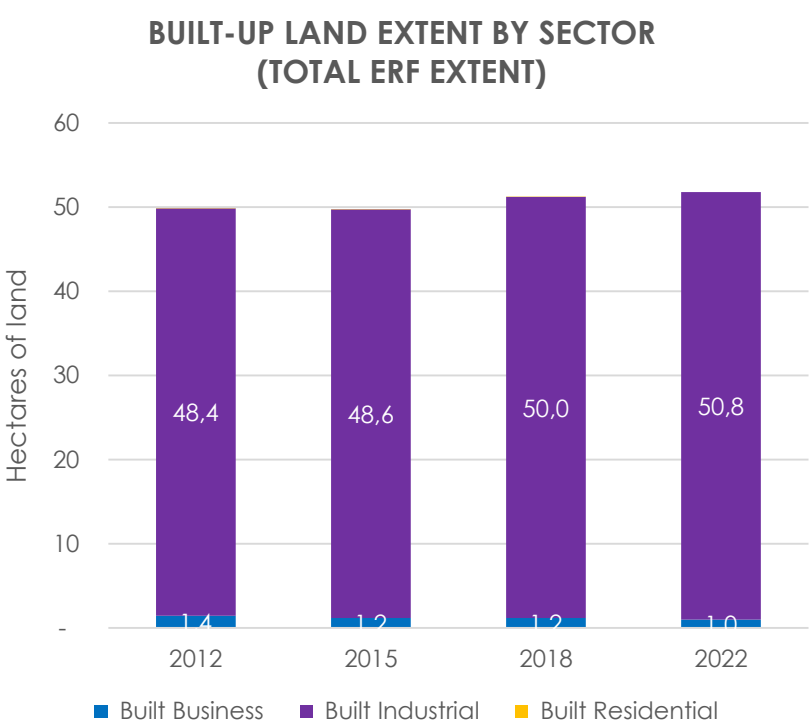- Agglomeration of industries
- Market performance
- Performance & Potential

URBAN LAND MARKETS

VACANT LAND ACROSS CAPE TOWN (GV 2022)*

Legend:
- Vacant Business
- Vacant Industrial
- Vacant Residential

BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)

Hectares of land

Year	Built Industrial	Built Business/Residential
2012	48,4	1,4
2015	48,6	1,2
2018	50,0	1,2
2022	50,8	1,0

Legend: ■ Built Business ■ Built Industrial ■ Built Residential

VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)

Hectares of land

Year	Vacant Industrial
2012	3,7
2015	3,7
2018	2,1
2022	1,6

Legend: ■ Vacant Business ■ Vacant Industrial ■ Vacant Residential

AVERAGE VACANCY RATE OF EXISTING BUILDINGS

Legend: ●─ Commercial ●─ Industrial ●─ Office

METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*

- 4,9%
- 5,4%
- 6,5%

Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²			
2) 251-500m²			
3) 501-1000m²		1	
4) 1001-2500m²		2	
5) 2501-5000m²		1	
6) 5001-10000m²		1	
7) >10000m²			

Source: City's General Valuation Roll and Market Reports
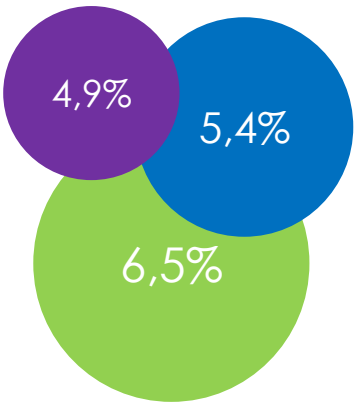
Vacant Land

The map illustrates the latest GV Roll (2022) by showing vacant land across the metropolitan area and complements the graph on vacant land for the 2022 GV year. While the area has experienced a gradual growth in terms of the built-up land, limited vacant land remains as of 2022. Additionally, the remaining vacant land is categorised based on the number and size of the land parcels, as reflected in the accompanying table.

Vacancy Rates

Alongside the information on vacant land, the vacancy rates for existing buildings in the industrial sector fluctuated between 2,9% in 2012 to 5.4% in 2022. The office sector increased from 5% in 2012 to 9.6% in 2022.
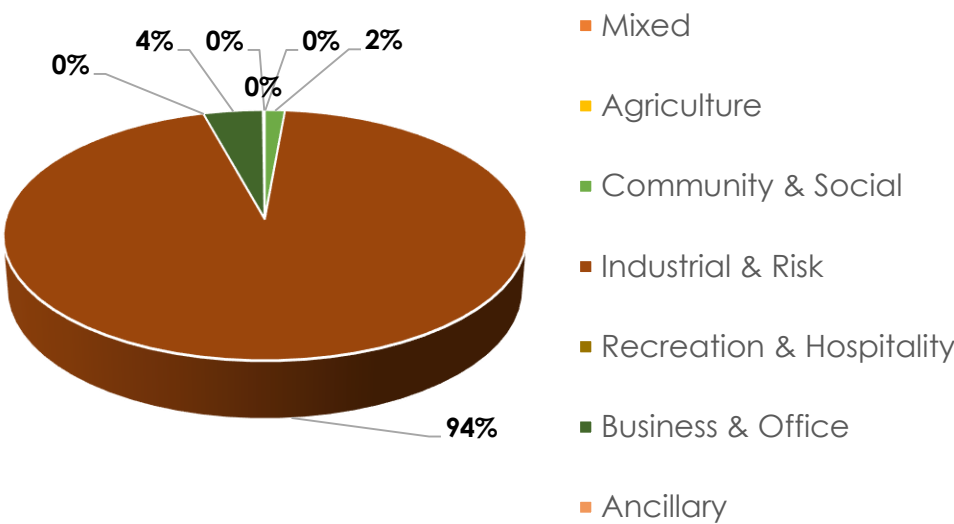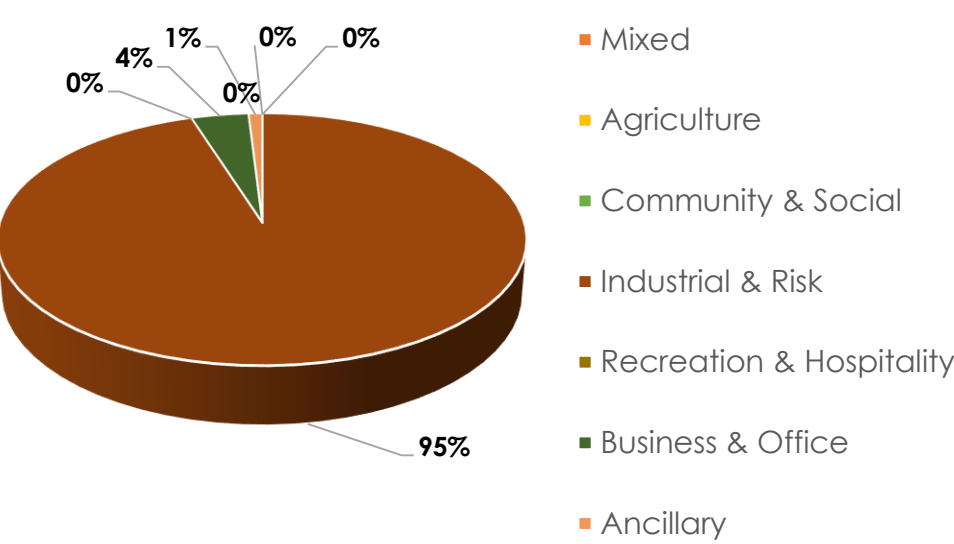
A metro view that provides further context relative to this economic area.

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)

0% · 4% · 0% · 0% · 2%

94%

- Mixed
- Agriculture
- Community & Social
- Industrial & Risk
- Recreation & Hospitality
- Business & Office
- Ancillary

% OF LAND USE GROUPS (2022)

0% · 4% · 1% · 0% · 0%

95%

- Mixed
- Agriculture
- Community & Social
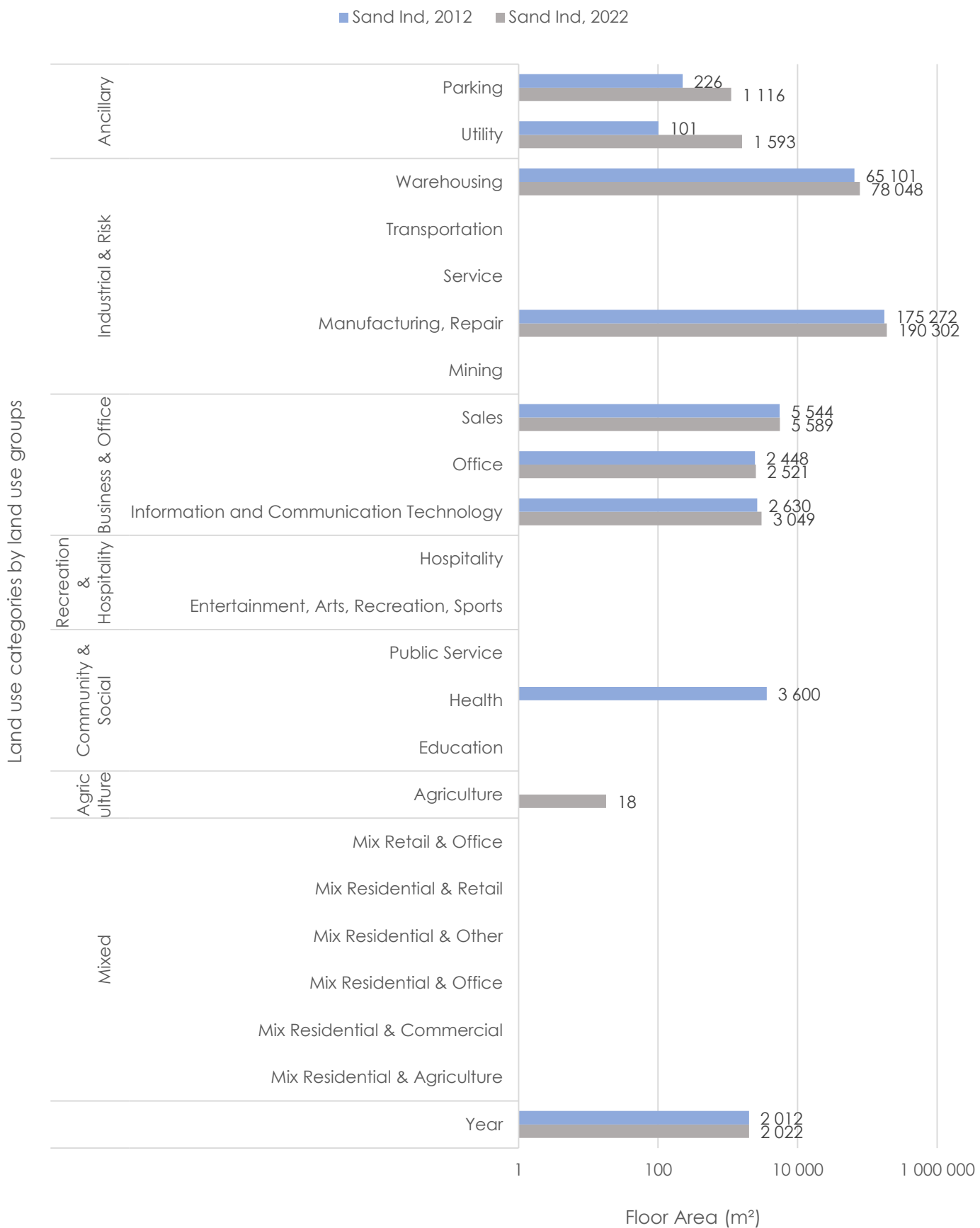- Industrial & Risk
- Recreation & Hospitality
- Business & Office
- Ancillary

The pie charts display the percentage distribution of land use groups in the Sand industrial area, based on the cumulative floor area (m²) of various land uses. As shown in the charts, the Industrial & Risks group has been dominant in both 2012 and 2022, outpacing the other groups, which primarily serve to support this leading land use category.

Additionally, the bar graph offers a comparative view of land use categories co-agglomerating within each group for the years 2012 and 2022. It indicates that manufacturing, repairs, and warehousing have remained the most prominent land uses during this period. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.

FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022

■ Sand Ind, 2012   ■ Sand Ind, 2022

Land use categories by land use groups

Ancillary
- Parking — 226 / 1 116
- Utility — 101 / 1 593

Industrial & Risk
- Warehousing — 65 101 / 78 048
- Transportation
- Service
- Manufacturing, Repair — 175 272 / 190 302
- Mining

Business & Office
- Sales — 5 544 / 5 589
- Office — 2 448 / 2 521
- Information and Communication Technology — 2 630 / 3 049

Recreation & Hospitality
- Hospitality
- Entertainment, Arts, Recreation, Sports

Community & Social
- Public Service
- Health — 3 600
- Education

Agriculture
- Agriculture — 18

Mixed
- Mix Retail & Office
- Mix Residential & Retail
- Mix Residential & Other
- Mix Residential & Office
- Mix Residential & Commercial
- Mix Residential & Agriculture

- Year — 2 012 / 2 022

1 · 100 · 10 000 · 1 000 000
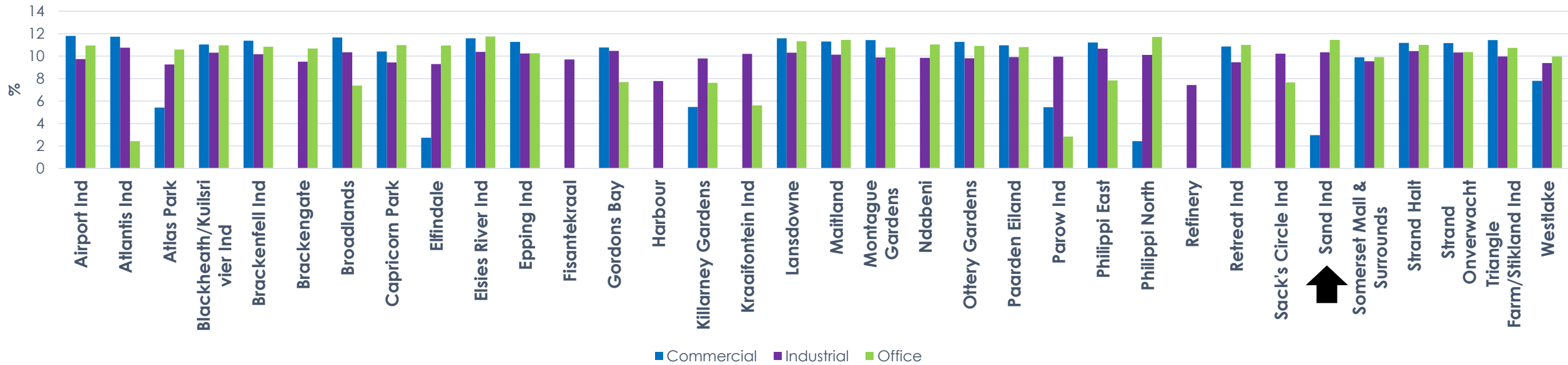
Floor Area (m²)

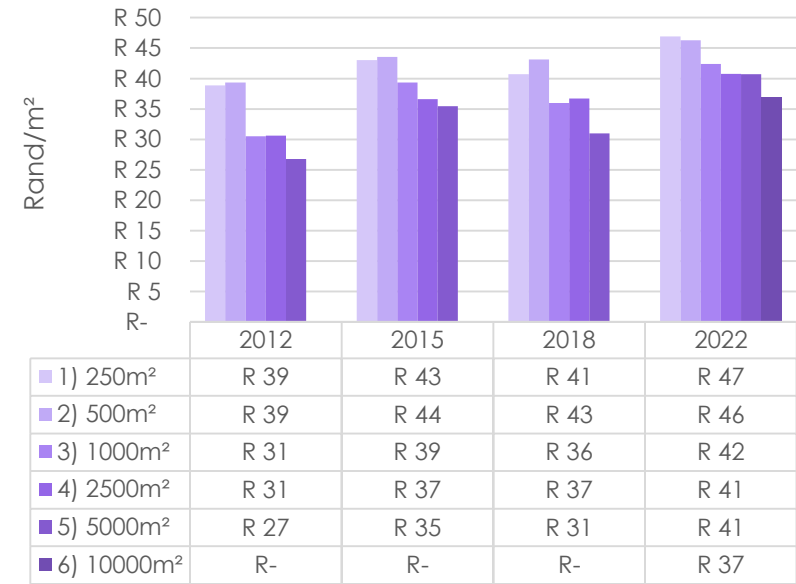*Source: Analysis of GV data (May 2024)*

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AVERAGE CAPITALISATION RATE OF SAND INDUSTRIAL IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022
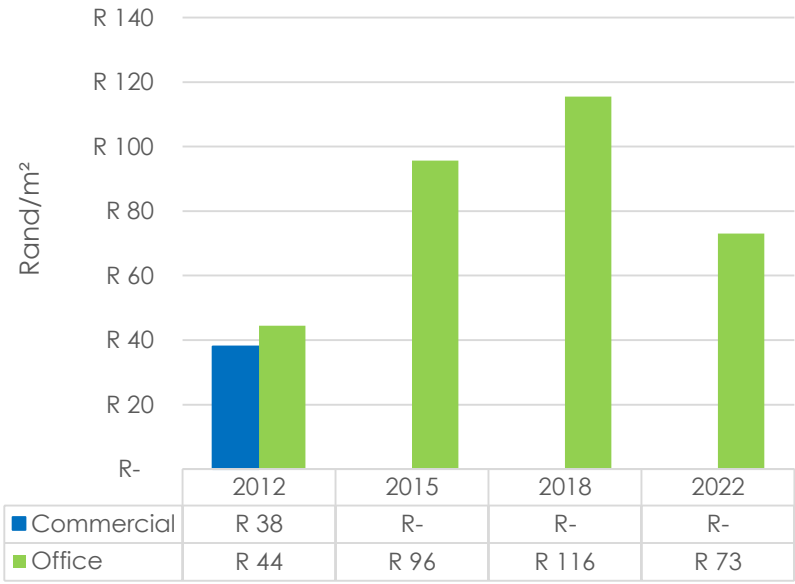

Legend: ■ Commercial ■ Industrial ■ Office

Sidebar navigation (right margin):
- Policy & regulatory context
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INDUSTRIAL RENTALS

	2012	2015	2018	2022
■ 1) 250m²	R 39	R 43	R 41	R 47
■ 2) 500m²	R 39	R 44	R 43	R 46
■ 3) 1000m²	R 31	R 39	R 36	R 42
■ 4) 2500m²	R 31	R 37	R 37	R 41
■ 5) 5000m²	R 27	R 35	R 31	R 41
■ 6) 10000m²	R-	R-	R-	R 37

COMMERCIAL AND OFFICE RENTALS

	2012	2015	2018	2022
■ Commercial	R 38	R-	R-	R-
■ Office	R 44	R 96	R 116	R 73

CAPITALISATION RATES

Legend: ● Commercial ● Industrial ● Office

Rental Rates

Rental rates across all industrial property sizes have gradually increased from 2012 to 2022, with higher rentals observed in the smaller industrial spaces.

While commercial rentals have only been captured for 2012, office rentals steadily increased between 2012 and 2018, but decreased in 2022.

Comparative view on capitalisation rates

The average capitalisation rates from 2012 to 2022 for the commercial, industrial and office sectors were 2,96%, 10.34%, and 11.44%, respectively and further indicate its competitiveness relative to other industrial areas.

Year-over-year, capitalisation rates for the industrial sector have decreased from 8,9% in 2012 to 8,2% in 2022. The office sector increased from 11,4% in 2012 to 12,5% in 2022.

- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*
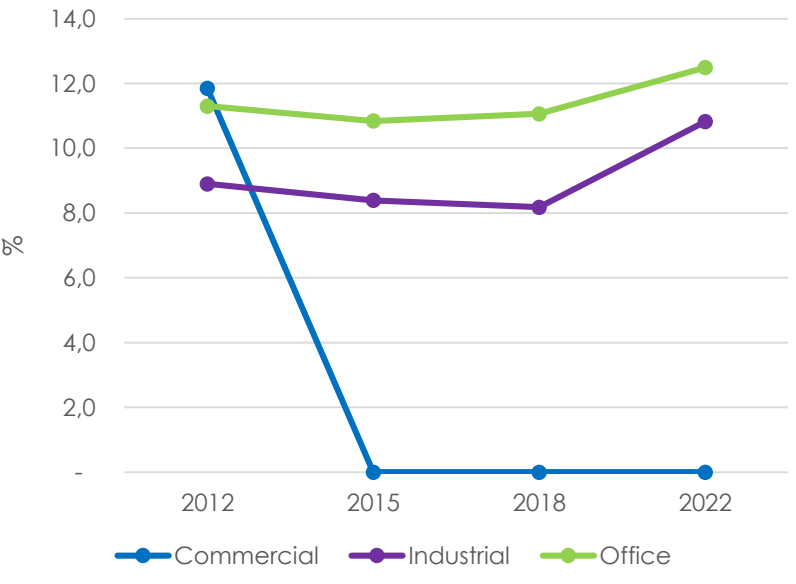
PERFORMANCE & POTENTIAL

The scores provided below summarise the detailed information presented throughout this profile. The method used to calculate Performance and Potential is based on several measurable individual indicators. The **scoring system ranges from 0 to 5, where 0 indicates low performance or potential and 5 indicates high performance or potential**. This profile compares either to Cape Town CBD (Commercial) or Montague Gardens (Industrial), depending on the classification of the economic area, as these two areas have attracted the most new floor area between 2012 and 2022 within their respective classifications.

PERFORMANCE

Sand Industria — Montague Gardens

POTENTIAL

Sand Industria — Montague Gardens

	Indicator	Description
Performance	Land Use Growth	Measures the growth of new floor area (m²) from 2012 to 2022 within an economic area, compared to other economic areas of similar classification. More growth indicates better performance. ***Source: General Valuation Roll.***
	Job Growth	Measures the percentage change in jobs within an economic area from 2014 to 2023, comparing this data against other economic areas of similar classification. A higher job prevalence indicates better performance. ***Source: SARS as of May 2024.***
	Building Work	Measures building work activity (new and improved m²) within an economic area from 2012 to 2022, compared to other economic areas of similar classification. Increased building work activity indicates better performance. ***Source: City's DAMS.***
	Vacancy Rate	Measures the average vacancy rates for the commercial and industrial sectors as of 2022, compared to other economic areas of similar classification. Lower vacancy rates indicate better performance. ***Source: City's Market Reports.***
	Capitalisation Rate	Measures the percentage change in capitalisation rates for the commercial and industrial sectors during the years 2012, 2015, 2018, and 2022, comparing them to other economic areas of similar classification. A lower average percentage change between these periods indicates greater maturity and consequently, higher performance. ***Source: City's Market Reports.***
Potential	Proximity to Public Transport	Assess the accessibility of various public transport modes near an economic area. Greater access to multiple transport modes indicates higher potential. ***Source: City's UPD, spatial analysis.***
	Vacant Land	Assess the availability of vacant land in the commercial, industrial and residential sectors. A higher amount of vacant land across these three sectors as of 2022 indicates greater potential. ***Source: General Valuation Roll.***
	Vacancy Rate	Measures the average vacancy rates for the commercial and industrial sectors as of 2022, compared to other economic areas of similar classification. Higher vacancy rates indicate greater potential. ***Source: City's Market Reports.***
	Incentive & Precinct Management Benefits	Evaluate the spatial overlap, whether partial or complete, of incentive areas and established precinct management tools within each economic area. A greater degree of overlap suggests increased potential. ***Source: City's UPD, spatial analysis.***